

Evaluation of the Performance of the Corps of Engineers
In Support of EPA's Superfund Program
Prepared by Michael J. Quigley, Program Analysis and
Resources Management Center, OSRTI, EPA
August 2003

During the period of January to May 2003, an evaluation was conducted of the Corps of Engineers' support to EPA's Superfund program. The evaluation included reviews of EPA and Corps programs at both the Headquarters and field levels. Primary focus was placed on finding out how well the Corps programs at the District Office level were supporting Superfund programs in EPA Regional Offices. In support of this focus managers and staff in all ten EPA Regional Offices were interviewed using a common set of questions. To a lesser extent, the Corps Headquarters, EPA Headquarters, and EPA Regional Office programs were analyzed. This report documents the major findings and conclusions of this evaluation.

Corps District Office Support to EPA Regional Offices

In general, the Corps is viewed as having done a good job in assisting EPA to manage the Superfund program with essentially all the Regions being pleased with at least some of the functions the Corps performs for the Superfund program. At the same time, several Regions have expressed concerns with certain aspects of Corps' performance. The Regional Offices which have had the best experience with the Corps are those which have invested heavily in communication, coordination, training, and oversight of Corps activities. Other Regions which have shown a willingness to reassign work from the Corps to EPA remedial action contractors have witnessed significant improvements in Corps performance and are now strong supporters of the Corps. In some Corps Districts which have more work than they can handle from non-EPA sources, the reassignment threat has been ineffective.

EPA Regional Office managers indicate that the Corps, in general, does the following things well:

- construction management
- Federal presence on Superfund sites
- unique project management technical capabilities
 - dredging
 - wetlands, marshlands, estuaries
 - flood control
 - incinerators
 - residential radioactive waste and creosote cleanups
 - soil excavation, transport, and treatment
 - groundwater treatment
- real estate/relocation issues
- managing Government furnished property

The following areas of concern were cited by at least three Regions:

-
- the adequacy and/or timeliness of monthly reporting (6 Regions)
 - sensitivity to cost control (5 Regions)
 - the quality and/or timeliness of payment processing (4 Regions)
 - the efficient management of funds, especially as related to recovery of unneeded funds on project completion (3 Regions)

The following additional observations or recommendations were made by EPA Regional Offices to enhance Corps performance in the management of the Superfund program:

1. EPA should attempt to provide the Corps with more incentives to perform, such as the kind of incentives EPA remedial action contractors have. (5 Regions)
2. EPA should encourage the Corps to use contract vehicles which promote better cost control and/or performance such as rapid response contracts (1 Region), performance-based contracts (1 Region), and cost plus award fee contracts (1 Region).
3. EPA should explore with the Corps its interest in developing the capability to provide lab support and quality assurance project planning which meet both EPA and Corps of Engineers' requirements.(1 Region)
4. EPA should encourage the Corps to assume a larger role in ecological risk assessment. (1 Region)
5. EPA and the Corps should do more to publicize the technical support capabilities of its Omaha Center of Expertise (CX) Office and should publish a list of technical experts at the CX Office and other Corps organizations across the country who can assist EPA on a variety of technical issues.

EPA Regional Offices

The size and management of Corps Interagency Agreement (IAG) programs varies widely across EPA Regional Offices. About 90% of Corps IAG work is managed by five Regions (I, II, VI, IX, and X). Two Regions (I and II) manage about two thirds of the money on Corps IAGs. These two Regions have at least one FTE assigned to Corps coordination. Other Regions manage their Corps IAGs with a small fraction of an FTE. Most Regions have a Corps coordinator; a few have no coordinator function at all. Oversight of Corps performance occurs primarily by EPA Remedial Project Managers (RPMs) and On-Scene Coordinators (OSCs) who maintain regular (sometimes daily) communication with the Corps as they manage or oversee projects. RPMs and OSCs also review monthly financial and accomplishment reports submitted by the Corps. Finally, in most Regions EPA and Corps management meet on a quarterly, semi-annual, and/or annual basis to discuss and resolve issues but, for the most part, these discussions do not involve evaluations of Corps performance against schedules, expenditure plans, or other performance criteria. Most IAGs in EPA Regional Offices do not contain any criteria against which Corps performance will be measured. There are no incentives or sanctions imposed in IAGs to stimulate Corps performance. There are no formal program evaluations of Corps performance in most Regions which are done on a regular basis.

Corps of Engineers Headquarters

The total dollar value of Superfund active projects being managed by the Corps nationally in FY 2003 is over \$2 billion with approximately \$400 million of that amount currently unexpended. Corps Headquarters has a budget of \$5.3 million to oversee this program. Corps Headquarters issues policy and guidance materials to the field program, tracks program and financial performance, coordinates with EPA, and oversees the execution of the program at the Corps field level. The following summary displays a breakdown of the Corps budget plan as well as an update of that plan based on mid FY 2003 actual figures:

	FY03 Budget Plan (\$ millions)	FY03 Mid-year Update (\$ millions)
Labor	2.6	2.0
Travel, guidance, etc.	.6	.7
Division overhead	.5	.6
Omaha Center of Expertise	1.6	1.6
Total	5.3	4.9

The cost of Labor in the budget plan assumed total direct labor of 14.4 FTE at a cost of \$93K per FTE in direct charges and \$141 K per FTE including overhead charges. Overhead charges are calculated at the rate of 52%. The Corps travel budget has been running at the rate of about \$50,000 per year and has been largely based on internal determinations on what is needed. About \$300,000 has been set aside for extramural guidance for remediation action projects managed by the Corps and for other guidance documents requested by EPA. Corps Division support is determined on the basis of negotiations between Corps Headquarters and the Division concerned. There do not appear to be any written criteria to guide Division support level determinations and EPA is not involved in this process. Corps District level costs are paid for from EPA Regional Office funds. The \$1.6 million for the Omaha Center of Expertise (CX) funds a variety of technical and administrative services in support of the national Superfund program such as guidance development, project document reviews, technology transfer, IAG tracking, and the conduct of training, workshops and technical presentations.

No attempt was made to do a detailed assessment of the Corps Headquarters budget, however it did appear that Headquarters was having difficulty making use of available funds, suggesting that a reduction of several hundred thousand dollars could be effectuated without a significant loss in program quality. The Corps had originally budgeted \$2.6 million for direct labor but now plans to spend only \$2.0 million for this purpose. This reduction is related to the Branch Chief's retirement, temporary reassignments, and other factors which have resulted in a reduction of about 3 FTE devoted to the program. Alternatively, EPA could transfer more workload to the Corps to get assistance on high priority Superfund initiatives. The CX Office in Omaha seemed to have significant technical capabilities which have been providing major benefits to the Superfund program for years. Much of the work being done by the CX Office is in response to requests from technology and regulatory managers in OERR and TIO. On the other hand, most EPA Regional Office managers seemed to be unfamiliar with the capabilities

of CX, suggesting that these capabilities might be better publicized to EPA Regional Offices in the future.

The Corps Headquarters seems to have no planned oversight program to visit District Offices for evaluation of the effectiveness of their field programs. Rather, Headquarters staff oversees the program through telephone calls, budget exercises, annual meetings, troubleshooting problem projects, ad hoc visits, and informal contacts. Implementing a formal oversight system from Corps Headquarters would be more difficult than implementing such a program at EPA Headquarters because the program is carried out at the District Office level, two levels below Headquarters, and because there are more District Offices involved (14) than EPA Regional Offices (10).

EPA Headquarters

_____ EPA manages the national Corps IAG program with less than one FTE. National management involves coordinating regularly with Corps Headquarters to assure that the Corps is carrying out the program in a manner consistent with EPA policies and guidance, tasking the Corps with new initiatives, monitoring Corps Headquarters on the development of guidance, training, and other technical materials, managing Corps/EPA Headquarters interagency agreements including the development of funding levels and the monitoring of resource usage, coordinating with EPA Regional Offices to assure that the Corps is providing them with the kind of support they need, troubleshooting problem project issues, and a variety of other activities. While there are usually at least weekly meetings between the EPA Headquarters Liaison and Corps Headquarters staff, there is no planned Headquarters oversight system established to visit EPA Regional Offices for formal evaluation of how effectively the Corps is supporting their programs. Rather, visits to EPA Regional Offices and Superfund sites are conducted on an as needed basis.

Recommendations

1. Memoranda should be issued from EPA and Corps Headquarters to their field programs releasing this report and reinforcing its key recommendations.
2. New IAGs should include criteria against which Corps performance will be measured and evaluated. These criteria should include:
 - accomplishments
 - costs/expenditures
 - quality of deliverables
 - cost control
 - safety
 - adequacy of reporting
 - timeliness of reporting
 - payment processing
 - communications/responsiveness
 - project completion

As existing IAGs for remedial action are amended for other purposes, these criteria or a subset of them as deemed practical and appropriate should be incorporated into IAG documents.

3. Corps Headquarters and EPA Headquarters should implement annual oversight of their field programs. Attachment I provides a series of questions which have been developed for oversight of EPA Regional Offices. They can be modified and adapted for Headquarters Corps oversight of its field program. All ten EPA Regional programs were reviewed in FY 2003. It is suggested that three or four Regions be reviewed each year in the future, focusing on the Regional programs where the greatest concerns have been identified. With 14 Corps District Offices performing work for the EPA Superfund program, Corps Headquarters will need to be selective in its oversight efforts, focusing on those field programs where the greatest problems have been identified. Feedback loops should be established so that the results of these annual evaluations are made available to top Regional management (EPA) and top Corps management at the Division and/or District Office levels (the Corps). Generic findings should also be discussed at the annual Superfund Remediation Conference (SRC) and EPA Regional Branch Chiefs meetings.

4. EPA Regional Offices should institute formal annual oversight programs of their Corps Districts Offices managing or overseeing Superfund projects which evaluate Corps programmatic accomplishments, expenditure rates, and performance against other evaluation criteria contained in Interagency Agreements (e.g., quality of deliverables, cost control, adequacy and timeliness of reporting, payment processing, etc.). A brief description of suggested performance expectations for each of these criteria is contained in Attachment II. Feedback from these evaluations should be provided to top management levels in the Corps District Offices and EPA Regional Offices involved.

5. EPA Headquarters should institute an annual non-monetary awards program at the national level to recognize outstanding performance by Corps managers, employees, and/or teams, primarily at the Corps District Office level. These awards would be focused on superior performance in approximately a half dozen categories of achievement selected from the evaluation criteria which would be added to IAGs (see above). EPA Regional Offices should provide formal input to Corps Division and District Office management which will be used by the Corps in their own performance appraisal systems.

6. Many of the above recommendations (memos from Headquarters, adding performance criteria to IAGs, regular oversight programs, and non-monetary awards) should help to address the major concerns expressed by EPA Regions (reporting, cost control, payment processing, and efficient fund management). Additionally, the following actions are recommended:

Reporting. Regions I, II, and X have developed good reporting formats which should be made available to other Regions to enhance their programs.

Cost control. A joint guidance document should be developed by EPA and Corps Headquarters which sensitizes the field programs of both agencies to the importance of cost control in today's Superfund program and familiarizes them with the various types

of

contract vehicles which are available to them in the clean up of Superfund sites. This

would include a description of (1) the rapid response capabilities of the Corps Omaha District Office, (2) performance-based contracts, and (3) cost plus award fee contracts. Payment processing. Many Regions did not seem to be familiar with the Direct Cite Payments policy published by EPA in 1983. It is recommended that this document be reissued. Several Regions expressed concern that they have on occasion been unable to obtain necessary backup materials for review to approve payment requests before subsequent payment requests are submitted. To accommodate the concerns of these Regions, it is recommended that the Direct Cite policy be amended to allow the EPA Finance Office in Cincinnati to withhold payments to Corps Contractors until backup materials for previous payment requests are received and reviewed. Additionally, it is recommended that education and training be made available to the Regions and Corps Districts on proper payment procedures and processes. [Note: A work group will be established to develop a resolution to these concerns regarding payment processing. Please contact Ken Skahn at 703-603-8801 if you are interested in participating.] Efficient Fund Management. EPA and the Corps should continue to promote the recovery of excess funds in Corps IAGs on a nation-wide basis annually.

7. EPA and the Corps should publicize the capabilities of Omaha CX Office to EPA Regional Offices and should publish a list of technical experts at the CX Office and in other Corps organizations across the country who can assist EPA on a variety of technical issues. This listing should be updated annually. The Corps should clarify the role of the CX Office in regard to its interaction with other Corps offices as well as its role in implementing the program.
 8. Corps Headquarters resources and workload should be brought into line in FY 2004 by either reducing Corps resources or increasing Corps workload.
-

Attachment I
Corps of Engineers Support for the EPA Superfund Program

Proposed Questions - EPA Headquarters Oversight Program

1. General assessment of Corps performance in the Region in question.
2. Identification of Corps program strengths and weaknesses in the Region.
3. If there are shortcomings in the performance of the Corps, what has the Regional Office done to try to get these shortcomings addressed? Is there a need for Headquarters involvement to get remaining issues resolved?
4. What systems does the Region have in place to oversee Corps performance (regular monitoring of project performance, monthly reporting, quarterly reporting, etc.) and how effective are these systems?
5. Are billings and/or monthly reports received in a timely manner? Is the Corps reviewing payment requests adequately before sending them to EPA for payment? Is the quality of the reports satisfactory?
6. What kind of contract vehicles does the Corps use to manage and oversee Superfund projects? Is the Corps sensitive to the need to keep costs under control? If so, what approaches does the Corps use to minimize and control costs?
7. What criteria does the Region use to decide whether to give Superfund work to the Corps versus RAC contractors, for both Fund- financed work and PRP work?
8. Are there adequate incentives in place to promote a high level of performance on the part of the Corps? What incentives do you recommend to stimulate needed improvements?
9. Are Corps IAG funds being put to work and recovered if not needed in a timely manner? How does the region assure the use of IAG funds in a timely and efficient manner?
10. What mechanisms are in place to identify and resolve problem project issues?
11. Are you satisfied with the support you are receiving from the Corps MCX Office in Omaha? What comments do you have on both the IAG agreement support as well as the technical support you are getting from that Office?
12. Has the Region added performance criteria and performance expectations suggested in Headquarters guidance to all IAGs? Has the Region instituted an annual oversight program of the Corps? If so, have these actions contributed to enhanced Corps performance against criteria in need of improvement?

Attachment II
Performance Expectations Against Evaluation Criteria
In EPA/USACE Interagency Agreements

This report recommends that Regional Offices add a series of criteria to Interagency Agreements against which Corps of Engineers performance can be measured. The following is a listing of proposed criteria which could be included in these Agreements as well as performance expectations against these criteria which can be used to evaluate Corps performance in annual oversight reviews by Regional Offices:

Accomplishments

_____ Milestones and other accomplishments contained in monthly reports should be on schedule and consistent with approved EPA/Corps plans. These plans can be either part of IAGs or maintained separate from IAGs. They can be updated as negotiated with EPA Regional Offices and Corps District Offices.

Costs/expenditures

_____ Costs and expenditures should be tracked on a monthly basis and the rates should be consistent with approved plans.

Quality of Deliverables

Products delivered to EPA under task orders is of high quality and meets performance levels anticipated by EPA when task orders were issued.

Cost Control

The appropriate contract vehicle for the work to be performed should be selected. Contractor costs should be monitored closely, tailoring the level of monitoring to the contract vehicle selected and the conditions of the project.

Safety

_____ Safety concerns must be factored into all site clean up decisions and actions. The Corps should provide adequate oversight to ensure that OSHA and Corps rules and regulations are scrupulously followed by contractor personnel.

Adequacy of Reporting

Reports to EPA should contain information on projects in understandable formats and at the level of detail requested by EPA project managers based on guidance issued from EPA Headquarters.

Timeliness of Reporting

Reports should be submitted on a monthly basis by a particular date, as negotiated with EPA's project managers.

Payment Processing for Remedial Action Projects

EPA and the Corps will follow the procedures and the guidance for payment processing contained in EPA's Direct Cite Funding policy.

Communications/Responsiveness

Corps project managers are responsive to the guidance given and concerns expressed by EPA RPMs. Corps project managers keep lines of communications open with EPA RPMs and regularly report progress, potential problems, and other significant occurrences at Superfund sites.

Project Completions

_____ IAG projects should be completed expeditiously and remaining funds potentially available for deobligation should be identified by the Corps within three months of project completion.
